

109TH CONGRESS  
2D SESSION

# S. 4112

To treat payments by charitable organizations with respect to certain  
firefighters as exempt payments.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2006

Mrs. FEINSTEIN (for herself, Mrs. BOXER, and Mr. CRAIG) introduced the  
following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To treat payments by charitable organizations with respect  
to certain firefighters as exempt payments.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Fallen Firefighters As-  
5       sistance Tax Clarification Act of 2006”.

1 **SEC. 2. PAYMENTS BY CHARITABLE ORGANIZATIONS WITH**  
2 **RESPECT TO CERTAIN FIREFIGHTERS TREAT-**  
3 **ED AS EXEMPT PAYMENTS AND EXCLUDED**  
4 **FROM GROSS INCOME OF THE RECIPIENTS.**

5 (a) IN GENERAL.—For purposes of the Internal Rev-  
6 enue Code of 1986—

7 (1) payments made by an organization de-  
8 scribed in section 501(c)(3) of such Code by reason  
9 of the death, injury, wounding, or illness of any fire-  
10 fighter incurred as the result of the October 2006  
11 Esperanza Incident fire in southern California, and  
12 before June 1, 2007, shall be treated as related to  
13 the purpose or function constituting the basis for  
14 such organization's exemption under section 501 of  
15 such Code if such payments are made in good faith  
16 using a reasonable and objective formula which is  
17 consistently applied;

18 (2) in the case of a private foundation (as de-  
19 fined in section 509 of such Code), any payment de-  
20 scribed in paragraph (1) shall not be treated as  
21 made to a disqualified person for purposes of section  
22 4941 of such Code; and

23 (3) the receipt of any payment described in  
24 paragraphs (1) or (2), or any payment from any  
25 Federal, State, or local government, or agency or in-  
26 strumentality thereof, by reason of the death, injury,

1       wounding, or illness of any firefighter incurred as  
2       the result of the October 2006 Esperanza Incident  
3       fire in southern California, shall not be treated as  
4       gross income under such Code.

5       (b) EFFECTIVE DATE.—This section shall apply to  
6       payments made on or after October 26, 2006.

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